

SECRET

C O N T E N T S

(Information as of noon EDT, 25 July 1968)

Europe

STAT

Page

THE WEEK IN PERSPECTIVE

PRAGUE AND MOSCOW EDGE TOWARD SUMMIT MEETING

The Soviets intensified their political pressure on Prague this week, and announced a large-scale military exercise in western USSR. Although Moscow agreed to the Dubcek regime's proposal to hold bi-lateral discussions on Czechoslovak soil, there was little information on details of the meeting.

USSR ENTERS WEST EUROPE'S NATURAL GAS MARKET

The first contract for delivery of Soviet natural gas by pipeline to Western Europe has been concluded with Austria.

Far East

THE WEEK IN PERSPECTIVE

VIETNAM

Commentary out of Hanoi and hints circulated through third parties suggest the Communists may be trying to create an impression of restraint through reduced military activity and intimations of flexibility on the key issues of a settlement. In Saigon, some peace proposals have been put forward with what appears to be at least a measure of government sanction. Communist military activity increased somewhat this week, particularly in the northern provinces.

MALAYSIA-PHILIPPINE SPLIT OVER SABAH WIDENS

Tensions have heightened between the two governments since Malaysia formally rejected the Philippine claim to Sabah on 17 July and walked out of the month-long talks in Bangkok.

SECRET

Page i WEEKLY SUMMARY 26 Jul 68

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THAIS BEGIN PREPARATIONS FOR ELECTIONS NEXT YEAR

The military regime is making preparations to dominate next year's legislative elections although it has not yet settled differences within its own ranks

Middle East - Africa

THE WEEK IN PERSPECTIVE

NIGERIAN COMBATANTS TALK AS FIGHTING CONTINUES

Prospects for a cease-fire have brightened in the wake of renewed contacts between federal and Biafran representatives. Such a cease-fire, however, might be limited to cover only passage of relief supplies, and there appears to be no give by either side in basic conditions for a political settlement.

MILITARY MEN DOMINATE NEW IRAQI GOVERNMENT

The new regime now appears to be a coalition of at least three groups, two of them military, with the Baathists in a minority position. Neighboring Arab states regard the new government as essentially moderate in character.

SOUTHERN YEMEN REGIME THREATENED ON ALL SIDES

Dissident groups both inside and outside the country threaten the near-bankrupt regime, but probably its gravest problem is the growing factionalism within the army and security forces.

INDIA'S TROUBLED EASTERN REGION

Eastern India, the scene of the protracted Naga rebellion and more recently of the Mizo uprising, is now threatened by further tribal unrest. With some 70,000 armed forces already tied down in this isolated area, New Delhi has shown a willingness to consider the tribal demands, but negotiations have failed to discover any common ground. The tribal unrest is likely to continue, and New Delhi will try to temporize, hoping that somehow a workable solution will eventually emerge (Published separately as Special Report No. 0039/68A)

SECRET

SECRET

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Europe

	<u>Page</u>
THE WEEK IN PERSPECTIVE	1
PRAGUE AND MOSCOW EDGE TOWARD SUMMIT MEETING	2
<p>The Soviets intensified their political pressure on Prague this week, and announced a large-scale military exercise in western USSR. Although Moscow agreed to the Dubcek regime's proposal to hold bi-lateral discussions on Czechoslovak soil, there was little information on details of the meeting.</p>	
USSR ENTERS WEST EUROPE'S NATURAL GAS MARKET	5
<p>The first contract for delivery of Soviet natural gas by pipeline to Western Europe has been concluded with Austria.</p>	

Far East

THE WEEK IN PERSPECTIVE	7
VIETNAM	8
<p>Commentary out of Hanoi and hints circulated through third parties suggest the Communists may be trying to create an impression of restraint through reduced military activity and intimations of flexibility on the key issues of a settlement. In Saigon, some peace proposals have been put forward with what appears to be at least a measure of government sanction. Communist military activity increased somewhat this week, particularly in the northern provinces.</p>	
MALAYSIA-PHILIPPINE SPLIT OVER SABAH WIDENS	12
<p>Tensions have heightened between the two governments since Malaysia formally rejected the Philippine claim to Sabah on 17 July and walked out of the month-long talks in Bangkok.</p>	

SECRET

STAT

Western Hemisphere

THE WEEK IN PERSPECTIVE

LATIN AMERICAN NAVIES SEEKING NEW EQUIPMENT

Although there has been some talk in the press of an "arms race," the largest programs--those in Brazil and Argentina--will provide only the bare minimum to keep the navies operational.

POLITICAL CRISIS IN BOLIVIA SUBSIDES

There may be further repercussions, however, if additional government or military personalities are implicated with Minister of Government Arguedas in the leaking of "Che" Guevara's diary to the Cubans.

GUATEMALA ATTEMPTS RETURN TO NORMALCY DESPITE EXTREMISTS
Preparations for municipal elections scheduled for 11 August are providing a test of the ability of Guatemala's sharply antagonistic political forces to resume peaceful activity following the end of the five-month state of alert in June.

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